



The Power of Together:

African Member States close ranks on protecting African citizens

As the world was hit by the Covid-19 pandemic, rich nations faced no financial difficulties in securing millions of vaccine doses to protect its citizens. In the scramble for vaccines, African nations risked being left behind.

Then came the unprecedented initiative by South Africa's President and African Union (AU) COVID-19 Champion, Cyril Ramaphosa who announced on 5th Aug 2021, the rollout of 400 million vaccine doses to the African Union Member States and the Caribbean by the AU / African Vaccine Acquisition Trust (AVAT).

This marked a new dawn in Africa's history. The outbreak of the pandemic saw the continent's health systems overwhelmed, ushering the biggest economic blow Africa had felt in 25 years. With the setting up of AVAT, for the first time, African countries rallied their economic and diplomatic forces to speak as one strong group at the bargaining table for vaccines.

This initiative saw AU Member States pooling their purchasing power, to sign a historic agreement for the purchase of 220 million doses of the single-shot Johnson & Johnson (J & J) COVID-19 vaccine, with the potential to order an additional 180 million doses.

This is the very the first time that the African Union Member States have collectively purchased vaccines to safeguard the health of the African population. In total, the 400m vaccines acquired by AVAT will immunize a third of the African population and bring Africa halfway towards its continental goal of vaccinating at least 60 per cent of the population.

Some 40 African countries have already purchased the vaccines and are already receiving their first batch of the Johnson and Johnson vaccines. About 5 million J & J vaccine doses have already reached citizens in 28 countries. This includes Angola, Botswana, Cameroon, Egypt, Ethiopia, Ghana, Lesotho, Mauritius, Nigeria, Togo, Tunisia, Mauritania, Ethiopia, Guinea Conakry, Liberia, Rwanda, Congo, Cote d'Ivoire, Zambia, Sierra Leon, Sudan, Kenya; including Caribbean countries Belize, Guyana, Jamaica, Antigua & Barbuda, Trinidad & Tobago, Bahamas.

It is noteworthy that these vaccine doses are partly produced on the African continent at the Aspen Pharmacare facility in Gqeberha in South Africa. This is in the context of the concerted effort by African countries to rally the world to support the TRIPS waiver for technology transfer and active pharmaceutical ingredients to develop our own manufacturing capabilities.

Vera Songwe, United Nations Under-Secretary-General and Executive Secretary Economic Commission for Africa (ECA) highlights that the vaccines, partly manufactured in South Africa are a true testament that local production and pooled procurement as envisioned in the African Continental Free Trade Area (AfCFTA) are key to the attainment of a more sustainable post-Covid economic recovery across the continent.

Ms. Songwe adds that Africa can create over 5 million more jobs if more health commodities are manufactured on the continent.

ECA data indicates that with a \$66 billion annual healthcare financing gap and the fact that Africa-based manufacturers can meet only 2 percent of the demands for medicines and 1 percent of vaccine demands, the continent was clearly ill-prepared for COVID-19.

Oliver Chinganya, Director of the African Centre for Statistics at the ECA says this situation is further exacerbated by the fact that nearly half a billion people in Africa lack legal identity. Incomplete civil registries make it difficult for health authorities to test, treat, and identify priority groups for vaccination.

The J & J vaccine was selected for this first pooled procurement for three reasons: first as a single-shot vaccine, it is easier and cheaper to administer; second, the vaccine has a long shelf-life and favourable storage conditions. Last but not least, the vaccine is partly manufactured on the African continent, with fill-finish activities taking place in South Africa. So far, the arrival of J & J vaccines in African nations has received popular support as millions of African citizens have already received their jabs.

Monthly shipments will continue and will be to reach the target of delivering almost 50 million vaccines before the end of December. By January, the number of vaccines delivered is expected to be in excess of 25million per month.

Africa needs to vaccinate at least 65% (heard immunity) in order for our economies to fully re-open. This translates to about 1.5 billion vaccine doses, which at current estimates could cost between \$ 8 billion and \$ 16 billion, with additional mark-up costs of 20-30% for vaccination programme delivery.

The agreement with Johnson & Johnson was made possible through a USD 2 billion facility provided by the African Export-Import Bank (Afreximbank), who are also the Financial and Transaction Advisers, Guarantors, Instalment Payment Advisers and Payment Agents. Africa CDC, one of the AVAT partners, is a specialized technical institution of

the African Union which supports Member States in their efforts to strengthen health systems and improve surveillance, emergency response, prevention and control of diseases.

The United Nations Economic Commission for Africa (UNECA) provided technical support on the financing arrangements and on the alignment of the AU Ministers of Finance. Under the leadership of the Executive Secretary, Ms. Songwe, who is also a member of AVATT, ECA experts worked on the numbers in relation to vaccine demand and the associated financials and guarantees. This technical support was used in the negotiations with Johnson and Johnson for the 400 million doses that were announced for rollout by AVAT.

UNECA provided the analysis needed in the negotiations with the World Bank to enable African governments pay for their shares of the J&J vaccines allocations. It also organized regular technical meetings of the African Ministers of Finance who collaborated in an unprecedented manner towards the AVAT initiative.

UNECA is currently leading the demand and market design pillar of the Pan African Vaccine Manufacturing (PAVM) of the African CDC, whose results will be complemented by the proven role of pooled procurement in consolidating local production.

In line with its mandate of translating ideas into actions, UNECA continues to play a very critical role in providing technical support to initiatives that fast-track sustainable economic transformation and ensure inclusive growth on the continent.

In order to support the African continent's economic vitality, UNECA will continue to partner with key institutions such as the Africa CDC, Afreximbank, Special Envoy on Supplies and JANNGO, and other stakeholders in Africa's health sector to ensure a robust post Covid African economic recovery.

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